

Filed for intro on 02/10/97
SENATE BILL 223 By
Cooper

HOUSE BILL 777
By Jackson

AN ACT to amend Tennessee Code Annotated, Title 56, Chapters
26, 27, 28, 29, and 32, relative to medical and hospital
insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 26, is amended by adding
the following as a new, appropriately designated section:

Such corporation, including preferred provider organizations, indemnity insurance
or other insurers shall be prohibited from entering into a contract or agreement with a
physician, surgeon or health care institution (as defined in Section 68-11-102) which
contract or agreement contains a "most favored nation" or similar clause requiring such
health care provider to reduce pricing to or accept reimbursement from, such entity to
the lowest amount received by such provider in respect of such services.

SECTION 2. Tennessee Code Annotated, Title 56, Chapter 27, is amended by adding
the following as a new, appropriately designated section:

Such corporation, including preferred provider organizations, indemnity insurance
or other insurers shall be prohibited from entering into a contract or agreement with a
physician, surgeon or health care institution (as defined in Section 68-11-102) which
contract or agreement contains a "most favored nation" or similar clause requiring such
health care provider to reduce pricing to or accept reimbursement from, such entity to
the lowest amount received by such provider in respect of such services.

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SECTION 3. Tennessee Code Annotated, Title 56, Chapter 28, is amended by adding the following as a new, appropriately designated section:

Such corporation, including preferred provider organizations, indemnity insurance or other insurers shall be prohibited from entering into a contract or agreement with a physician, surgeon or health care institution (as defined in Section 68-11-102) which contract or agreement contains a “most favored nation” or similar clause requiring such health care provider to reduce pricing to or accept reimbursement from, such entity to the lowest amount received by such provider in respect of such services.

SECTION 4. Tennessee Code Annotated, Title 56, Chapter 29, is amended by adding the following as a new, appropriately designated section:

Such corporation, including preferred provider organizations, indemnity insurance or other insurers shall be prohibited from entering into a contract or agreement with a physician, surgeon or health care institution (as defined in Section 68-11-102) which contract or agreement contains a “most favored nation” or similar clause requiring such health care provider to reduce pricing to or accept reimbursement from, such entity to the lowest amount received by such provider in respect of such services.

SECTION 5. Tennessee Code Annotated, Title 56, Chapter 32, is amended by adding the following as a new, appropriately designated section:

No health maintenance organization, indemnity insurance or other insurers shall be permitted to enter into a contract or agreement with a physician, surgeon or health care institution (as defined in Section 68-11-102) which contract or agreement contains a “most favored nation” or similar clause requiring such health care provider to reduce pricing to or accept reimbursement from, such entity to the lowest amount received by such provider in respect of such services.

SECTION 6. This act shall take effect upon becoming a law, the public welfare requiring it.

